

Value of Canadian Conventional TV Stations

A1642 MA
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Presented to:
Canadian Broadcasting Corporation

FOREWORD

A. BACKGROUND AND OBJECTIVES

The Canadian Broadcasting Corporation has commissioned TNS Canadian Facts to conduct research on its behalf to assess Canadian cable and satellite TV subscribers' reactions to the removal of Canadian conventional TV stations from the basic package offered by BDUs.

B. GENERAL DESIGN AND EXECUTION

In order to meet the above-stated objective, 1,014 telephone interviews were completed among Canadians 18 years of age and older across Canada. Interviewing was conducted with a representative sample of adults, 18 years of age or older, in all provinces and in all community sizes down to, and including, rural locations. In the province of Quebec, interviews were conducted in English and French based on the language preference of individual respondents.

At the screening stage of the interview, respondents were questioned regarding whether or not their household subscribes to a cable or satellite TV service. Subscribers who do not pay subscriber fees directly to a Canadian cable or satellite TV company were not included in this survey. Those who currently do not have cable or satellite service in-home also were not included in this survey. Outlined below is a breakdown of completed interviews:

Canadians 18 years of age or older = 1,014

Anglophones = 794

Francophones = 220

Canadians with in-home cable or satellite TV service = 818

Anglophones = 651

Francophones = 166

Standard Plus-Digit sampling procedures were employed to ensure that unlisted and newly listed numbers were included in the sample frame.

Telephone interviewing for the study was conducted from October 30th to November 2nd, 2006. A total of three callbacks were made at different times of day in an attempt to secure a completed interview.

Interviewing was conducted from Central Location telephone interviewing facilities in Montreal, Thunder Bay and Vancouver, with interviewers continuously monitored by full time supervisory staff.

At the final data processing stage, the data was weighted to ensure that it accurately reflects Canadian adults 18 years of age and older based on age within gender within community size within region.

Copies of the questionnaires appear in the Appendix to this report.

C. RESULTS

The results of this research are presented under the following main headings:

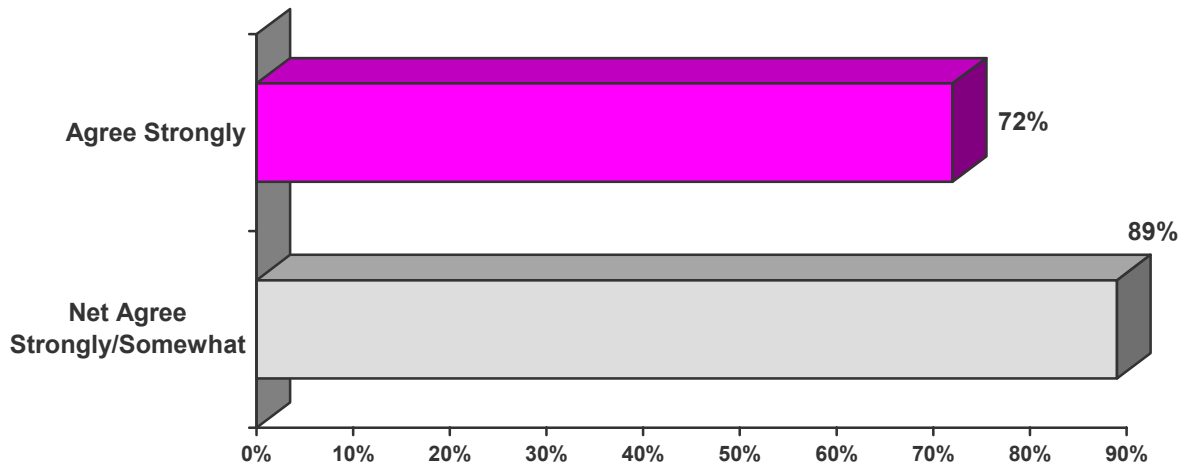
1. Executive Summary
2. General Summary
3. Appendix (Questionnaire)

EXECUTIVE SUMMARY

Despite the expansion of television viewing options, Canadian cable and satellite TV subscribers value access to Canadian conventional television stations, including CTV, Global, CBC and City TV in the Anglophone market, and TVA, TQS and Radio-Canada in the Francophone market.

The value cable and satellite TV subscribers place on the Canadian conventional TV stations is reflected in their overwhelming belief that cable and satellite TV rates should be reduced if the Canadian conventional stations are removed from basic cable and satellite TV service. Moreover, three-in-four subscribers feel very strongly that removal of Canadian conventional TV stations should be accompanied by a rate reduction. This finding, coupled with the high viewership to these stations, suggests that most subscribers consider these stations to be a key part of their television service.

Level of Agreement That Cable/Satellite Rates Should Be Reduced if Canadian Conventional TV Stations Are Not Carried on Cable and Satellite TV Basic Service



Percent of Canadian Cable/Satellite TV Subscribers (n=818)

GENERAL SUMMARY

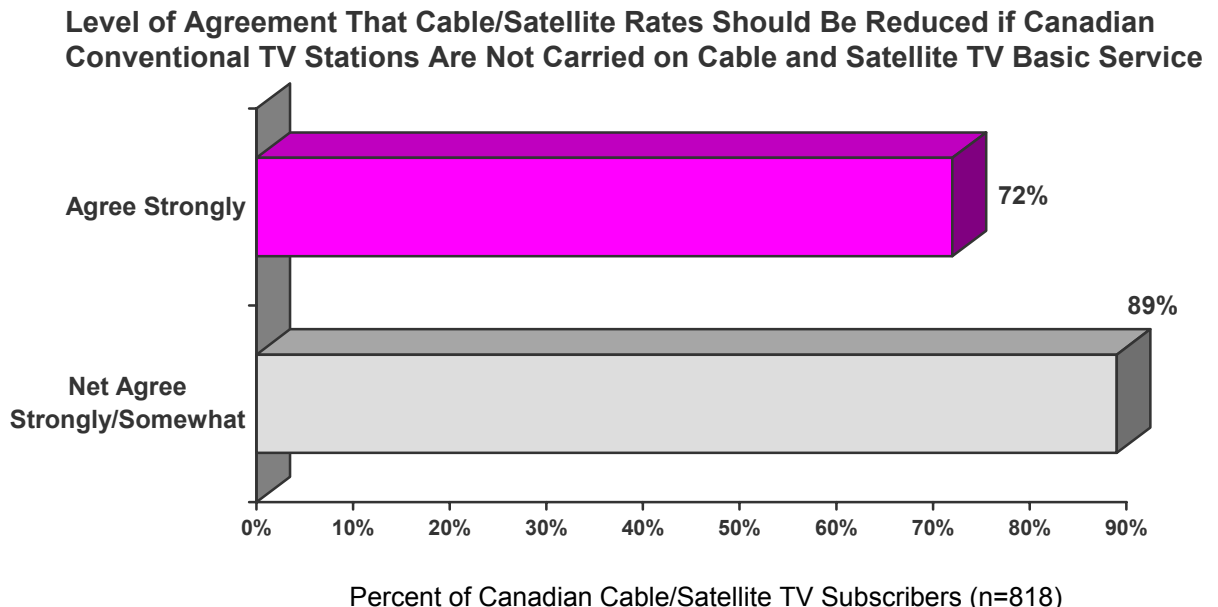
1-a) Cable and Satellite TV Subscribers Overwhelmingly Agree That Cable/Satellite TV Rates Should be Reduced if Canadian Conventional TV Stations are Removed From Basic Service

Canadian cable and satellite TV subscribers were asked about what they thought would be the impact on their bill if Canadian conventional TV stations such as CTV, Global, CBC and City TV in the Anglophone market, and TVA, TQS and Radio-Canada in the Francophone market, were removed from their basic service. The question asked was as follows:

We'd like you to consider your reaction to possible changes in your (CABLE/SATELLITE) TV service.

Do you agree, or disagree, that if your (CABLE/SATELLITE TV) company NO LONGER CARRIED Canadian conventional TV stations like (Global, CTV, CBC and City TV/TVA, TQS or Radio-Canada), your (CABLE/SATELLITE TV) service should COST LESS than it does now. Would you say you strongly agree, somewhat agree, somewhat disagree or strongly disagree?

Nine-in-ten (89%) cable and satellite television subscribers believe (i.e. agree strongly or somewhat) that removal of Canadian conventional TV stations from their basic service should be accompanied by a reduction in cable/satellite TV rates. Moreover, of this group, most strongly hold this view. This finding, coupled with the high viewership to these stations, suggests that cable and satellite TV subscribers consider the Canadian conventional TV stations to be a key part of their basic service.

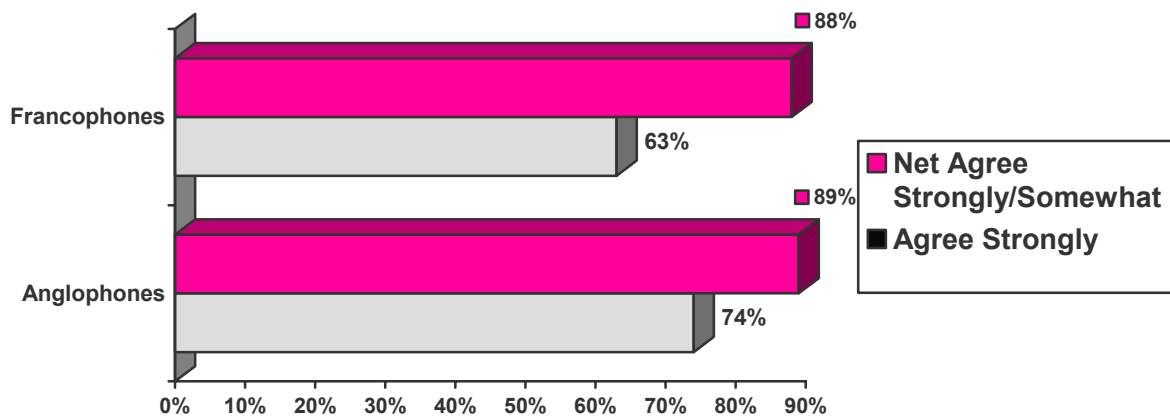


1-b) This View is Held Equally By Anglophones and Francophones

Both Anglophone and Francophone cable and satellite TV subscribers express widespread agreement that their cable/satellite TV rates should be reduced if Canadian conventional television stations are removed from their basic service package.

Anglophones are the most determined that any such removal of Canadian conventional stations, such as CTV, Global, CBC and City TV, should result in rate reductions, with three-in-four (74%) strongly agreeing that rates should be reduced if these stations are removed from their service.

Level of Agreement That Cable/Satellite Rates Should Be Reduced if Canadian Conventional TV Stations Are Not Carried on Cable and Satellite TV Basic Service – By Language of Respondent



Percent of Canadian Cable/Satellite TV Subscribers (n=818)

1-c) Within the Small Group Of Subscribers Who Disagree That Rates Should Go Down, Many Do So Because They are Skeptical That Cable/Satellite Companies Would Ever Reduce Rates

Those cable and satellite TV subscribers who felt there should be no reduction in cable or satellite TV rates with removal of Canadian conventional TV stations from basic service were asked the following question:

Can you tell me why you feel there should be NO DECREASE in the price of your (CABLE/SATELLITE) bill if Canadian conventional TV channels like (Global, CTV, CBC and City TV/TVA, TQS and Radio-Canada) are NOT INCLUDED?

PROBE IF NECESSARY: Please be as specific as possible.

Among the small number of cable and satellite TV subscribers who don't feel there should be a rate reduction associated with removal of Canadian conventional TV stations from basic cable/satellite (8%), the volunteered rationale for this position is fragmented and largely cynical regarding the likely behavior of cable or satellite companies in a situation where services are being removed or altered.

Specifically, there is a group of subscribers who appear to understand the issue around the removal of Canadian conventional TV stations but are cynical regarding the suggestion that cable and satellite companies would actually reduce rates if fewer services were offered.

- "It will not happen, the cost will not change/the cable companies will continue to charge me the same price"
- "Pour l'unique raison que les chaînes de câble auraient une autre raison de charger plus cher pour obtenir les postes manquants/plus facile pour les compagnies de faire de l'argent sans qu'on s'en rende compte"
- "Prices go up but you never see them go down"
- "Canadian companies won't lower their prices because they have been going up steadily for the past seven years"

Moreover, a few subscribers spontaneously mention that if the Canadian conventional TV stations were removed they would disconnect their television service or switch.

- "If they get cancelled, I'll go somewhere else to get these Canadian channels"
- "On écoute seulement les chaînes généralistes. On le débrancherait le câble si on nous les enlevait de notre service de câble. J'irai par satellite"
- "Would not subscribe"

Finally, a group of subscribers voice opinions that suggest disagreement with any removal of Canadian conventional stations from their basic package.

- “Canadian content should be protected/ company should support Canadian content”
- “Denies Canadians access to information on Canadian news”
- “We get real news on Canadian TV and propaganda from the US stations”
- “This should not be allowed/these channels should be available to all Canadians as part of basic cable package”
- “C’est pour ça qu’on a le câble”
- “We depend on the news”

APPENDIX -- QUESTIONNAIRE

Serial: Q,
QT

RANGE 1 .. 99999 DEF 99999,
Serial number

VALUE OF CONVENTIONAL TV STATIONS

Q1A: S OPEN,
QT

Hello, my name is (YOUR NAME) from TNS Canadian Facts, one of Canada's leading consumer research companies.

AL

OK - CONTINUE
ENGAGED
NO REPLY
APPOINTMENT
REFUSAL
LANGUAGE BARRIER
NOT IN SERVICE
NON-RESIDENTIAL
TERMINATE (OTHER REASON)

DISPLAY

SCREENING FOR CABLE / SATELLITE SUBSCRIBERS

Q1B: S,
QT

First, do you currently subscribe to cable TV or satellite TV for which you or someone in your household pays a fee directly to a Canadian cable or satellite TV company?

POST: IF MORE THAN ONE TYPE OF TV SERVICE ASK WHICH ONE THEY CONSIDER TO BE THEIR PRIMARY SERVICE.

AL

Yes - Cable TV
Yes - Satellite TV
Yes - Cable or satellite but landlord pays - Terminate
No - Terminate
Don't Know - Terminate

INSTRUCTION:
ASK Q2 IF CABLE TV SUBSCRIBER AT Q1. SATELLITE SUBSCRIBERS SKIP TO DISPLAY BEFORE Q3.

Q2: S,
QT

Do you have regular cable or digital cable?

IF NECESSARY READ: In order to receive digital cable, you need to rent or buy a special digital set-top box from your cable company. Digital cable provides improved picture and sound quality, a greater choice of channels, commercial-free music channels, and an interactive onscreen program guide.

AL

Regular Cable (Analogue Cable)

Digital Cable

Don't Know/Refused

DISPLAY

As you know, a basic package of channels is provided to all customers by their (CABLE/SATELLITE TV) company. This basic package of channels consists of Canadian conventional TV stations such as CTV, Global, CBC and City TV, and a few Canadian specialty TV channels, such as The Weather Network, CBC Newsworld, MuchMusic, YTV, CPAC and Vision. (CABLE/SATELLITE TV) companies also usually provide other services in the basic package, such as the US networks, including ABC, CBS, NBC and FOX.

INSTRUCTIONS:

ROTATE DISPLAY 1 WITH Q3/Q4, AND DISPLAY 2 WITH Q 5/6.

DISPLAY1

Now thinking about the Canadian TV services you receive in your basic (CABLE/SATELLITE TV) package, I would like to ask you a few questions about... Canadian conventional television stations like CTV, Global, CBC, and City TV.

Q3: S,

QT	<p>On a typical weekday, that's Monday to Friday, on average how much time does your HOUSEHOLD spend EACH DAY watching Canadian conventional stations such as CTV, Global, CBC and City TV?</p> <p>IF RESPONDENT IS UNCERTAIN, PROBE: On an average weekday, could you estimate the number of hours spent....</p>
AL	<p>Number of hours (enter exact number given) _____</p> <p>DON'T KNOW</p> <p>REFUSED</p>
Q4: S, QT	<p>On a typical day on the weekend, that's Saturday and Sunday, on average how much time does your HOUSEHOLD spend EACH DAY watching Canadian conventional stations such as CTV, Global, CBC and City TV?</p> <p>IF RESPONDENT IS UNCERTAIN, PROBE: On an average weekend, could you estimate the number of hours spent</p>
AL	<p>Number of hours (enter exact number given) _____</p> <p>DON'T KNOW</p> <p>REFUSED</p>
DISPLAY2	<p>Now I'd like to ask you a few questions about...Canadian SPECIALTY television services that could be part of your basic (CABLE/SATELLITE TV) package, such as Weather Network, CBC Newsworld, MuchMusic, YTV, CPAC and Vision.</p>
Q5: S,	

QT On a typical weekday, that is Monday to Friday, how much time does your HOUSEHOLD spend EACH DAY watching Canadian SPECIALTY television services that are part of your basic (CABLE/SATELLITE TV) package such as Weather Network, CBC Newsworld, MuchMusic, YTV and Vision.

IF RESPONDENT IS UNCERTAIN, PROBE: On an average weekday, could you estimate the number of hours spent

AL Number of hours (enter exact number given) _____
DON'T KNOW
REFUSED

Q6: S,
QT On a typical day on the weekend, that's Saturday and Sunday, on average how much time does your HOUSEHOLD spend EACH DAY watching Canadian SPECIALTY television services that are part of your basic (CABLE/SATELLITE TV) package, such as Weather Network, CBC Newsworld, MuchMusic, YTV and Vision.

IF RESPONDENT IS UNCERTAIN, PROBE: On an average weekend, could you estimate the number of hours spent ...

AL Number of hours (enter exact number given) _____
DON'T KNOW
REFUSED

DISPLAY In this next question, we'd like you to consider your reaction to possible changes in your (CABLE/SATELLITE) TV service.

Q7: S,

QT So, the question is, do you agree, or disagree, that if your (CABLE/SATELLITE TV) company NO LONGER CARRIED Canadian conventional TV stations like Global, CTV, CBC and City TV, your (CABLE/SATELLITE TV) service should COST LESS than it does now.

Do you agree or disagree that your (CABLE/SATELLITE TV) service should cost less if these stations are no longer available? Would you say you ...?

READ LIST

AL Strongly agree
Somewhat agree
Somewhat disagree
Strongly disagree
DON'T KNOW
REFUSED

INSTRUCTIONS:
IF CODES 3 OR 4 AT Q7, ASK Q8, OTHERS CONTINUE TO NEXT SECTION.

Q8: S OPEN,
QT

Can you tell me why you feel there should be NO DECREASE in the price of your (CABLE/SATELLITE) bill if Canadian conventional TV channels like Global, CTV, CBC and City TV are NOT INCLUDED?

PROBE IF NECESSARY: Please be as specific as possible.

AL OTHER (SPECIFY)